Don’t invest unless you’re prepared to lose all the money you invest. This is a high-risk investment and you are unlikely to be protected if something goes wrong. Take 2 minutes to learn more on page 4

Blackfinch Ventures EIS Portfolios

Key Information Document

BLACKFINCH VENTURES

Purpose: This document provides you with key information about this investment product. It is not marketing material. The information is to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Product: Blackfinch Ventures EIS Portfolios

Website: www.blackfinch.com

Customer Enquiries: 01452 717070

This Key Information Document is issued and approved by Blackfinch Investments Limited, which is authorised and regulated by the Financial Conduct Authority (“FCA”) (FCA number: 153860).

Registered Address: 1350-1360 Montpellier Court, Gloucester Business Park, Gloucester, GL3 4AH

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YOU ARE ABOUT TO PURCHASE A PRODUCT THAT IS NOT SIMPLE AND MAY BE DIFFICULT TO UNDERSTAND

Type: Blackfinch Ventures EIS Portfolios is a discretionary portfolio management service.

Objectives: The product aims to provide long-term returns from investments held for a target period of 4–7 years whilst enabling investors to benefit from available EIS tax reliefs.

The objective is to invest in early-stage businesses with technology at their core that qualify for the Enterprise Investment Scheme (EIS). Investments will be made across at least ten such companies in multiple sectors to build a diverse portfolio.

To be considered for investment, companies must be deemed capable of growth through disrupting large growing markets and of achieving significant exit multiples. Strong emphasis is placed on the founding team who must be deemed to be highly motivated, driven, and capable. Companies will need to show clear evidence of product-market-fit, usually through commercial revenue.

Intended retail investor: The product is suitable for UK taxpayers who wish to make a long-term investment of up to £1,000,000 that benefits from EIS tax reliefs. Investors must be comfortable with exposure to small, unquoted, and illiquid companies and with the risks set out below. They must be able to bear the loss of all money they invest in the product. Investors who do not have investment experience should seek advice from an appropriately qualified investment adviser.

Term: The holding period for each investment is a minimum of three years, but it is expected to be 4–7 years and it may be much longer. Investments are illiquid and investors may not be able to cash them in early.

What are the risks and what could I get in return?

Risk Indicator: This product offers potentially high risks and rewards.

1 2 3 **6** 4 5 7

Lower risk — Higher risk

The risk indicator assumes you keep the product for 5 years. The actual risk can vary significantly if you cash in at an early stage and you may get back less. You may not be able to cash in early.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this product as 6 out of 7, which is the second-highest risk class. This rates the potential losses from future performance at a high level, and poor market conditions are very likely to impact our capacity to pay you.

Investments are made in small, unquoted companies with little or no track record, which carry a high risk of failure. This product does not include any protection from future market performance so you could lose some or all of your investment.

Tax benefits depends on your personal circumstances, and you may lose them if there are changes to the EIS tax rules, if an investment loses its EIS qualification, or if you do not hold the investment for a minimum of 3 years.

Performance scenarios

The table shows the amount you could get back over the next 5 years, under different scenarios assuming that you invest £10,000. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products. The performance scenarios do not include the effect of any tax reliefs available.

The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the investment. The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you.

This product cannot be easily cashed in. This means it is difficult to estimate how much you would get back if you cash in before maturity. You will either be unable to cash in early or you will have to pay high costs or make a large loss if you do so.

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

Scenarios		**1 year**	**3 years**	**5 years** *(recommended holding period)*
Stress scenario	**What you might get back after costs**	8,656.28	7,853.12	3,569.60
	Average return each year	-13.44%	-7.74%	-18.62%
Unfavourable scenario	**What you might get back after costs**	8,863.67	8,682.66	7,717.32
	Average return each year	-11.36%	-4.60%	-5.05%
Moderate scenario	**What you might get back after costs**	9,101.51	9,634.04	12,474.20
	Average return each year	-8.98%	-1.24%	4.52%
Favourable scenario	**What you might get back after costs**	9,636.95	11,775.80	23,183.00
	Average return each year	-3.63%	5.60%	18.31%

What happens if Blackfinch Investments Limited is unable to pay out?

Blackfinch Investments Limited is a participant in the Financial Services Compensation Scheme (the "FSCS"). As a retail client you may be eligible to claim compensation from the FSCS in certain circumstances if we, any approved bank, our nominee company, or eligible custodian are in default. Most types of investment business are covered in full for the first £85,000 of any eligible claim. Not every investor is eligible to claim under this scheme: for further information please contact us, or the FSCS directly at www.fscs.org.uk

What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs. The amounts shown here are the cumulative costs of the product itself, for three different holding periods. They include potential early exit penalties. The figures assume you invest £10,000. The figures are estimates and may change in the future. The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

Cost over time

Investment £10,000 Scenarios	If you cash in after 1 year	If you cash in after 3 years	If you cash in after 5 years
Total costs	1,076.00	1,076.00	1,987.80
Impact on return (RIY) per year	11.48%	4.46%	3.93%

The table shows the costs including the performance fee for the Moderate scenario above, which is based on a model portfolio of ten companies of which three fail, two give underlying returns of 150%, three of 200%, and two of 300%.

Composition of costs

The table below shows

- the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period;
- the meaning of the different cost categories.

The table shows the impact on return per year

One off costs	Entry costs	0.70%	*3% Portfolio Establishment Fee.* *The impact of the costs you pay when entering your investment.*
	Exit costs	0%	*The impact of the costs of exiting your investment.*
Ongoing costs	Portfolio transaction costs	0%	*The impact of the costs of us buying and selling underlying investments for the product.*
	Other ongoing costs	1.81%	*2% Annual Management Charge.* *The impact of the costs that we take each year for managing your investments.*
Incidental costs	Performance Fees	1.42%	*20% on returns above a hurdle of 130%. The impact of the performance fee.* *We take these from your investment if individual investments exceed the hurdle.*
	Carried interests	0%	*The impact of the carried interests.*

How long should I hold it and can I take my money out early?

The product is a long-term investment with most returns expected to be available from four to seven years from initial investment, with some potentially taking much longer.

It is not designed for money to be taken out early. Investments are made into small, early-stage unquoted companies for which there is no market. Early realisation of such investments would consequently be very difficult, is likely to take considerable time, and may only be possible at a significant loss if it all.

How can I complain?

You can complain to Blackfinch Investments Limited by phone on 01452 717070, in writing to Blackfinch Investments Limited, 1350-1360 Montpellier Court, Gloucester Business Park, Gloucester, GL3 4AH, or by emailing complaints@blackfinch.com. You may request a copy of the complaints-handling procedure at any time.

Other relevant information

The cost, performance and risk calculations included in this key information document follow the methodology prescribed by EU rules. Further information on the product is available in the Blackfinch Ventures EIS Portfolios brochure.

We will invest your subscription in at least 10 companies, and we aim to do so within 12 months. Each company should qualify under the Enterprise Investment Scheme, which for eligible UK tax-payers offers 30% income tax relief. EIS investments are also exempt from Capital Gains Tax and benefit from further tax reliefs where applicable. Tax reliefs are dependent on individual circumstances and are subject to change.

Risks

Due to the potential for losses, the Financial Conduct Authority (FCA) considers this investment to be high risk.

What are the FCA key risks?

1 - You could lose all the money you invest
If the business you invest in fails, you are likely to lose 100% of the money you invested. Most start-up businesses fail.

2 - You are unlikely to be protected if something goes wrong
Protection from the Financial Services Compensation Scheme (FSCS), in relation to claims against failed regulated firms, does not cover poor investment performance. Try the FSCS investment protection checker (https://www.fscs.org.uk/check/investment-protection-checker).

Protection from the Financial Ombudsman Service (FOS) does not cover poor investment performance. If you have a complaint against an FCA-regulated firm, FOS may be able to consider it. Learn more about FOS protection (https://www.financial-ombudsman.org.uk/consumers).

3 - You won't get your money back quickly
Even if the business you invest in is successful, it may take several years to get your money back. You are unlikely to be able to sell your investment early.

The most likely way to get your money back is if the business is bought by another business or lists its shares on an exchange such as the London Stock Exchange. These events are not common.

If you are investing in a start-up business, you should not expect to get your money back through dividends. Start-up businesses rarely pay these (https://www.financial-ombudsman.org.uk/consumers).

4 - Don't put all your eggs in one basket
Putting all your money into a single business or type of investment for example, is risky. Spreading your money across different investments makes you less dependent on any one to do well.

A good rule of thumb is not to invest more than 10% of your money in high-risk investments (https://www.fca.org.uk/investsmart/5-questions-ask-you-invest).

5 - The value of your investment can be reduced
The percentage of the business that you own will decrease if the business issues more shares. This could mean that the value of your investment reduces, depending on how much the business grows. Most start-up businesses issue multiple rounds of shares.

These new shares could have additional rights that your shares don't have, such as the right to receive a fixed dividend, which could further reduce your chances of getting a return on your investment.

If you are interested in learning more about how to protect yourself, visit the FCA's website (https://www.fca.org.uk/investsmart).